

**FAX****Date** June 6, 2000**Number of pages including cover sheet** 5

**TO:** **Wayne Hedberg**  
**Permit Supervisor**  
**UDOGM**  
**Salt Lake City, UT**

**Phone****Fax Phone** 801-359-3940

**FROM:** **Al Cerny**  
**WESTERN STATES**  
**MINERALS CORP.**  
**4975 Van Gordon Street**  
**Wheat Ridge, CO 80033**

**Phone** 303-425-7042**Fax Phone** 303-425-6634**RE:** DRUM MINE

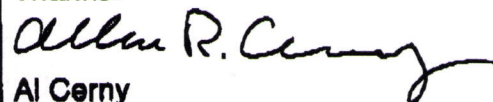
**REMARKS:** ☐ **Urgent** ☐ **For your review** ☐ **Reply ASAP** ☐ **Please Comment**

Wayne,

Following is a letter and invoice that I am sending out today concerning Commencement of Construction Activities at the Drum Mine. Please call me if you have any questions or problems.

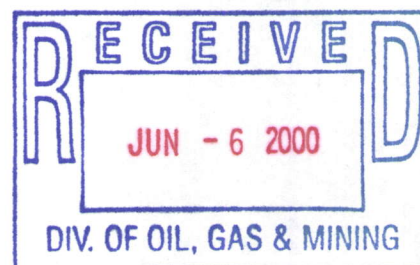
We assume that the invoice will be processed and paid according to the terms of our agreement.

Thanks.



Al Cerny

Secretary

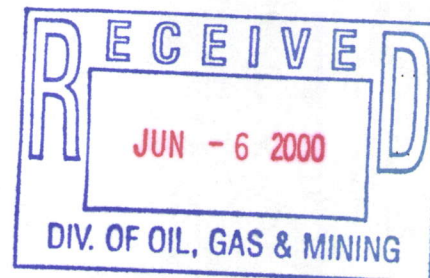




**WESTERN  
STATES  
MINERALS  
CORPORATION**

June 6, 2000

Mr. D. Wayne Hedberg  
Permit Supervisor  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801



**Re: NOTICE OF COMMENCEMENT OF CONSTRUCTION ACTIVITIES**  
Drum Mine Reclamation, Millard County, Utah;  
First Amended Settlement and Reclamation Agreement and  
Sole Source Contract No. 006536

Dear Wayne:

With reference to Section 2.2 *Partial Payment of Western's Expenses*, please be advised that Western commenced construction activities at the site yesterday, Monday, June 5, 2000. Western has had personnel at the site for several weeks doing preliminary work prior to starting physical construction activities. Certain surveys have been performed and equipment has been mobilized, and, as of yesterday, actual earth-moving activities have begun. Also, reclamation of the Mizpah drill holes has commenced.

Accordingly, enclosed is an invoice for one-half of the monies to be paid to Western "at the commencement of construction activities". Since we did not know the amount of the accrued interest as of this date, we have left that amount blank to be filled in by you.

Please call John Carmody at 303-425-7042 Extension 23 (or myself at Extension 24) if you have any questions or matters that you wish to discuss.

Sincerely,

Allan R. Cerny  
Secretary

cc: Distribution list attached

**DRUM MINE RECLAMATION  
FIRST AMENDED SETTLEMENT AGREEMENT**

**Notice Addressees**

**Ms. Sally Wisely  
State Director  
Utah State Office (UT-930)  
Bureau of Land Management  
P.O. Box 45155  
Salt Lake City, UT 84145-0155**

**Mr. Rex Rowley, Field Office Manager  
Bureau of Land Management  
Fillmore Field Office  
35 East 500 North  
Fillmore, Utah 84631**

**John Steiger, Esq.  
Office of the Solicitor  
Federal Bldg., Room 6301  
125 S. State Street  
Salt Lake City, UT 84138-1180**

**Mr. D. Wayne Hedberg  
Permit Supervisor  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801**

**Mr. Tom Mitchell  
Assistant Attorney General  
Natural Resources Division  
160 East 300 South  
Fifth Floor  
Salt Lake City, Utah 84114**

**Mr. Doug Jensen, Senior Reclamation Specialist  
Minerals Reclamation Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801**

**Mr. Don Ostler, Director  
Department of Environmental Quality  
Division of Water Quality  
288 North 1460 West  
Salt Lake City, Utah 84116**

**Craig R. Carver  
Alfers & Carver, LLC  
730 17<sup>th</sup> Street, Suite 340  
Denver, CO 80202**

**INVOICE**

**Western States Minerals Corporation**  
**4975 Van Gordon Street**  
**Wheat Ridge, Colorado 80033**

**SOLD TO:**

**Mr. D. Wayne Hedberg**  
**Permit Supervisor**  
**Division of Oil, Gas and Mining**  
**1594 West North Temple, Suite 1210**  
**Box 145801**  
**Salt Lake City, Utah 84114-5801**

<b>Invoice Date:</b>	<b>06/05/00</b>
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<b>Invoice No.</b>	<b>1042</b>
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Quantity	Description	Unit	Amount
	Jumbo Performance Bond (Plus Accrued Interest)		\$ 143,000.00
	Closure of Mine Openings		\$ 20,000.00
	Jumbo Bond, Alto Pit, Etc. (Plus Accrued Interest)		\$ 19,000.00
			\$ 182,000.00
	One half payable as of June 5, 2000, the commencement date of construction activities Plus 1/2 of accrued interest as of June 5, 2000.		\$ 91,000.00
	Per FIRST AMENDED SETTLEMENT AND RECLAMATION AGREEMENT and SOLE SOURCE CONTRACT No. 006536		
		<b>Sub Total</b>	
		<b>TOTAL</b>	